THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Individual investors take investment/re-investment decision based on their risk-return perception, investment horizon, alternative investment avenues etc.

(c) Investors of US-64 will be given an option of five year, tax-free tradable bonds in lieu of cash payments at the time of redemption.

Foreign exchange reserves

53. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that our foreign exchange reserve is close to $70 billion mark;

(b) if so, whether Government have considered prepaying some high cost foreign currency loans from the comfortable foreign reserves;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir. India's foreign exchange reserves were placed at US $73.6 billion on 31st, January 2003.

(b) to (d) The Government has decided to repay prematurely two ADB and IBRD loans for $ 1254 million and $ 1549 million respectively in the current financial year, through the foreign reserves of the country. This premature repayment will be financed entirely through domestic market borrowings. This swapping of fixed rate foreign currency debt with fixed rate rupee debt will be advantageous to the country.

SEBI's action against defaulter promoters

54. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that SEBI proposes to restrict the unscrupulous promoters from accessing capital market;

(b) if so, the criteria proposed to be adopted by SEBI for debarring bad promoters from the market; and

(c) the procedure that SEBI has for vetting prospects filed by the promoters for raising money from the capital market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Securities and Exchange Board of India (SEBI) has been empowered to prohibit issue of securities by a company through prospectus through the SEBI (Amendment) Act 2002. SEBI is to frame the modalities for exercising the said authority which, *inter alia,* may include the criteria for prohibiting issue procedure and redressal mechanism for an aggrieved party.

(c) As of now, SEBI does not vet any prospectus. It works on the principle of full and fair disclosure so as to ensure an investor can take an informed investment decision. Whenever, an issuer company files any draft prospectus to SEBI through a registered Merchant Banker called Lead Manager, SEBI reviews the prospectus in light of SEBI (DIP) Guidelines, 2000; Companies Act, 1956 and all other applicable Law/Act/Rules/Regulations and give its observations/suggestions on the draft prospectus. The Lead Manager is required to address those observations/suggestions prior to filing the final prospectus to Registrar of Companies/Stock Exchanges and subsequent accessing the market. In addition to this, SEBI has also stipulated certain eligibility requirement for the companies intending to access the capital market.

Irregularities in Bhubaneshwar Stock Exchange

55. SHRI RAMACHANDRA KHUNTIA:
SHRI B.J. PANDA**:**

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether certain irregularities have been detected in the Bhubaneshwar Stock Exchange, as reported in the Business Standard dated the 6th January, 2003, if so, the details thereof;